



**U.S. Department of Justice**

**Terrence Berg  
United States Attorney  
Eastern District of Michigan**

***Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277***

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Nov 6, 2008

---

**EVENT: Indictment**

**Defendant: Kassem Khalil**

---

**TWO DEARBORN RESIDENTS CHARGED WITH FOOD STAMP FRAUD**

---

Acting United States Attorney Terrence Berg announced that two separate indictments have been returned charging two Dearborn residents with food stamp fraud. The indictments allege a scheme to defraud the United States Department of Agriculture ("USDA") of approximately \$566,000 in Food Stamp Program benefits.

Mr. Berg was joined in the announcement by Joe N. Smith, Special Agent in Charge, United States Department of Agriculture - Office of Inspector General and Maurice Aouate, Special Agent in Charge, Internal Revenue Service, Criminal Investigation Division. Kassem Khalil, 48, is alleged to have engaged in a scheme to defraud the USDA of approximately \$144,000. The indictment states that Khalil illegally paid food stamp beneficiaries cash in exchange for the food stamp benefits held via their EBT (Electronic Benefit Transfer) debit cards. The indictment alleges that the fraud took place during 2004 until 2007, while Khalil was working at Casey Mini Mart, Detroit, Michigan.

In a separate indictment, Jihad Aoun, 28, is alleged to have engaged in a scheme to defraud the USDA of approximately \$422,000. The indictment states that Aoun illegally paid food stamp beneficiaries cash in exchange for the food stamp benefits held via their EBT (Electronic Benefit Transfer) debit cards. The indictment alleges that the fraud took place between 2005 and 2007, while Aoun was working at IMK Mark, Detroit, Michigan.

As noted in the indictment, the defendants typically paid 50% for the amount charged to the USDA Food Stamp Program – for example if a beneficiary wanted \$20.00 in cash, the defendants would charge the food stamp card \$40.00. The USDA would then unwittingly reimburse the store where the defendants worked \$40.00 – thinking that a legitimate transaction for food had taken place.

Under federal law, food stamps cannot be traded or sold for cash, and they cannot be used to buy non-food items such as gasoline, tobacco or alcoholic beverages.

Acting United States Attorney Berg said, "The food stamp program is intended to provide millions of low income American families with their nutritional needs. However, abuse by some stores threaten the integrity of the entire program and this office will aggressively pursue those who seek to undermine it."

Special Agent in-Charge Smith said; "The USDA Office of Inspector General, Office of Investigations, is committed to aggressively investigating the criminal activities of store owners and employees who deprive needy citizens of the Detroit metropolitan area access to nutritious meals. We appreciate the assistance from our partners in the Federal and state law enforcement community."

Special Agent in Charge Aouate said, "IRS Criminal Investigation's unique role is to follow the money and identify those guilty parties who are financial benefitting from these illegal actions. Working with the United States Department of Agriculture Office of Inspector General and our other law enforcement partners, we will make sure that there are stiff consequences to these types of fraudulent activities that prey on the people that can least afford it."

An indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt. If convicted, a defendant faces penalties of up to 20 years' imprisonment and a \$250,000 fine.

The case was investigated by special agents of the United States Department of Agriculture Office of Inspector General, and the United States Internal Revenue Service, Criminal Investigation Division.